

DASIN RETAIL TRUST MANAGEMENT PTE. LTD.  
(Registration No. 201531845N)

# **DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2021

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# DIRECTORS' STATEMENT

The directors present their statement together with the financial statements of the Company for the year ended 31 December 2021.

In the opinion of the directors, the financial statements as set out on pages 6 to 34 are drawn up so as to give a true and fair view of financial position of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Company for the year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Dr Kong Weipeng	(Appointed on 12 October 2021)
Zhang Zhencheng	
Lyu Guoliang	(Appointed on 12 October 2021)
Sonny Tan Hock Sun	(Appointed on 12 October 2021)
Tan Huay Lim	
Sun Shu	
Dr Cao Yong	

## 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

As disclosed in Note 11 to the financial statements, the trustee fee, management fee - base fee and acquisition fee received/receivable from the Trust (as defined therein) in accordance with the trust deed during the year ended 31 December 2021 amounted to \$514,417 (2020 : \$451,851), \$6,430,213 (2020 : \$5,648,133) and \$nil (2020 : \$2,277,801) respectively. The fees were received/receivable from the Trust in the form of 14,298,110 (2020 : 10,575,836) units of the Trust with carrying values totalling \$6,944,630 (2020 : \$8,377,785).

Except as disclosed above and in Note 15, neither at the end of, nor at any time during the financial year, did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of director		Shareholdings in which director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<b>Company</b>				
Dasin Retail Trust Management Pte. Ltd. (Ordinary shares)				<b>Number of shares</b>
Zhang Zhencheng	500,001	146,501	-	5,000

# DIRECTORS' STATEMENT

## 4 SHARE OPTIONS

(a) *Option to take up unissued shares*

During the year, no option to take up unissued shares of the Company was granted.

(b) *Option exercised*

During the year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the year, there were no unissued shares of the Company under option.

## 5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

## ON BEHALF OF THE DIRECTORS

Lyu Guoliang

Zhang Zhencheng

8 April 2022

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DASIN RETAIL TRUST MANAGEMENT PTE. LTD.

## Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of Dasin Retail Trust Management Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 34.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DASIN RETAIL TRUST MANAGEMENT PTE. LTD.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DASIN RETAIL TRUST MANAGEMENT PTE. LTD.

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Public Accountants and  
Chartered Accountants  
Singapore

8 April 2022

# STATEMENT OF FINANCIAL POSITION

31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at banks		388,765	389,395
Amount due from related parties	4	1,846,977	6,586,055
Other receivables and deposits	5	142,788	260,884
Total current assets		<u>2,378,530</u>	<u>7,236,334</u>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income (FVOCI)	6	1,077,467	16,230,320
Plant and equipment	7	974,523	625,597
Total non-current assets		<u>2,051,990</u>	<u>16,855,917</u>
<b>Total assets</b>		<u><b>4,430,520</b></u>	<u>24,092,251</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Amount due to related parties	4	642,272	16,133,851
Other payables	8	551,760	899,210
Income tax payable		2,718	857,781
Total current liabilities		<u>1,196,750</u>	<u>17,890,842</u>
<b>Non-current liability</b>			
Other payables	8	517,870	-
<b>Total liabilities</b>		<u>1,714,620</u>	<u>17,890,842</u>
<b>Capital and accumulated profits</b>			
Share capital	9	505,002	505,001
Revaluation reserve	10	(784,261)	(1,008,933)
Accumulated profits		2,995,159	6,705,341
Total equity		<u>2,715,900</u>	<u>6,201,409</u>
<b>Total liabilities and equity</b>		<u><b>4,430,520</b></u>	<u>24,092,251</u>

See accompanying notes to financial statements.



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended 31 December 2021

	Note	2021 \$	2020 \$
<b>Revenue</b>	11	<b>6,944,630</b>	8,377,785
Dividend income from financial assets at FVOCI		<b>1,286,731</b>	537,333
Other (loss)/gains	12	<b>(89,979)</b>	216,283
Administrative expenses		<b>(3,327,672)</b>	(3,121,276)
Finance costs - interest expense on lease liabilities		<b>(22,249)</b>	(60,028)
<b>Profit before income tax</b>		<b>4,791,461</b>	5,950,097
Income tax expense	13	<b>(2,673)</b>	(802,654)
<b>Profit for the year</b>	14	<b>4,788,788</b>	5,147,443
<b>Other comprehensive income:</b> <i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value losses on investments in equity instruments designated as FVOCI	10	<b>(8,274,298)</b>	(851,353)
<b>Total comprehensive income for the year</b>		<b>(3,485,510)</b>	4,296,090

See accompanying notes to financial statements.

# STATEMENT OF CHANGES IN EQUITY

Financial year ended 31 December 2021

	Share capital \$	Revaluation reserve (Note 10) \$	Accumulated profits/ (losses) \$	Total \$
Balance at 1 January 2020	505,001	(157,580)	1,557,898	1,905,319
Total comprehensive income for the year:				
Profit for the year	-	-	5,147,443	5,147,443
Other comprehensive losses for the year	-	(851,353)	-	(851,353)
Total	-	(851,353)	5,147,443	4,296,090
Balance at 31 December 2020	505,001	(1,008,933)	6,705,341	6,201,409
Transactions with owners, recognised directly in equity:				
Capital injection	1	-	-	1
Total comprehensive income for the year:				
Profit for the year	-	-	4,788,788	4,788,788
Other comprehensive losses for the year	-	224,672	(8,498,970)	(8,274,298)
Total	-	224,672	(3,710,182)	(3,485,510)
Balance at 31 December 2021	<b>505,002</b>	<b>(784,261)</b>	<b>2,995,159</b>	<b>2,715,900</b>

See accompanying notes to financial statements.

# STATEMENT OF CASH FLOWS

Financial year ended 31 December 2021

	2021	2020
	\$	\$
<b>Operating activities</b>		
Profit before income tax	4,791,461	5,950,097
Adjustments for:		
Depreciation of plant and equipment	1,460	21,828
Depreciation of right-of-use asset	687,415	834,132
Trustee fee received in units (Note A)	(514,417)	(451,851)
Management fee received in units (Note A)	(6,430,213)	(5,648,133)
Acquisition fee received in units (Note B)	-	(2,277,801)
Finance costs	22,249	60,028
Foreign exchange	117,608	(105,136)
Rent concession	-	(66,795)
Operating cash flows before movements in working capital	<u>(1,324,437)</u>	<u>(1,683,631)</u>
Movements in working capital:		
Amount due to related parties	(229,749)	-
Other receivables and deposits	118,096	(21,291)
Other payables	(90,095)	(230,917)
Cash used in operations	<u>(1,526,185)</u>	<u>(1,935,839)</u>
Interest paid	(22,249)	(60,028)
Tax paid	(857,736)	(221,430)
Net cash used in operating activities	<u>(2,406,170)</u>	<u>(2,217,297)</u>
<b>Investing activities</b>		
Purchase of plant and equipment (Note D)	(100,103)	-
Advances due from related parties	(68,912)	(835,774)
Repayment of advances due from related parties	32,313	138,525
Net cash used in investing activities	<u>(136,702)</u>	<u>(697,249)</u>
<b>Financing activities</b>		
Payment of lease liabilities	(677,183)	(774,003)
Advances due to related parties	4,027,225	3,442,000
Repayment of advances due to related parties	(807,800)	-
Net cash from financing activities	<u>2,542,242</u>	<u>2,667,997</u>
<b>Net decrease in cash at banks</b>	<b>(630)</b>	<b>(246,549)</b>
Cash at banks at beginning of year	<u>389,395</u>	<u>635,944</u>
<b>Cash at banks at end of year</b>	<b><u>388,765</u></b>	<b><u>389,395</u></b>

See accompanying notes to financial statements.

# STATEMENT OF CASH FLOWS (CONT'D)

Financial year ended 31 December 2021

## **Significant non-cash and other transactions**

### **Note A: Trustee fee and management fee**

During the financial year, 11,689,374 units (2020 : 7,013,547 units) were issued to the Company at various unit prices in satisfaction of trustee fee and management fee, amounting to \$6,881,481 (2020 : \$5,723,834).

On 14 March 2022, the Trust issued 4,844,440 units in respect of trustee fees and management fees for the period from 1 October 2021 to 31 December 2021, at a unit price of \$0.36569 per unit to the Company, amounting to \$1,771,563.

On 12 March 2021 the Trust issued 2,235,704 units in respect of trustee fees and management fees for the period from 1 October 2020 to 31 December 2020, at a unit price of \$0.76415 per unit to the Company, amounting to \$1,708,414.

### **Note B: Acquisition fee**

In 2020, 2,920,258 units were issued to the Company as payment for acquisition fee of \$2,277,801 in relation to the acquisition of Shunde Metro Mall and Tanbei Metro Mall. No acquisition fee was received/receivable in year 2021.

### **Note C: Set-off arrangement**

Pursuant to the sale and purchase agreement entered into between Mr. Zhang Zhencheng, a director and a shareholder of the Company, Aqua Wealth Holdings Limited, a controlling unitholder of Dasin Retail Trust and New Harvest Investments Limited announced by Dasin Retail Trust on 19 July 2021, (i) 25,301,553 (2020: nil) units at a unit price of \$0.477561 (2020 : \$nil), which was determined based on a willing-buyer, willing seller basis, amounted to \$12,083,035 (2020 : \$nil) were agreed to transfer to Mr. Zhang Zhengcheng, a director of the Company; (ii) assigned its rights on receiving the trustee fee and management fee for the third quarter of the financial year 2021 which were payable in units of Dasin Retail Trust amounted to approximately \$1,677,000 to Mr. Zhang Zhencheng; and (iii) assigned the amount due from related parties totalling \$5,357,584 to Mr. Zhang Zhencheng. These set-off arrangements were for settlement of \$19,117,619 of amount due to related parties.

### **Note D: Purchase of plant and equipment**

During the financial year, the Company purchase plant and equipment with an aggregate cost of \$254,775 (Note 7) of which \$154,672 remained outstanding and included in other payables.

See accompanying notes to financial statements.

# STATEMENT OF CASH FLOWS (CONT'D)

Financial year ended 31 December 2021

## Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash from financing activities.

	1 January 2021	Financing cash flows (i)	New leases – right of use asset	Non-cash changes		31 December 2021
				Foreign exchange movement	Amount offset with available for sale financial assets (Note C)	
	\$	\$	\$	\$	\$	\$
<i>Liabilities arising from financing activities</i>						
Lease liabilities	660,774	(677,183)	783,026	-	-	766,617
Amount due to related parties (Note 4)	16,133,851	3,219,425	-	122,982	(19,117,619)	642,272
	<b>16,794,625</b>	<b>2,542,242</b>	<b>783,026</b>	<b>122,982</b>	<b>(19,117,619)</b>	<b>1,408,889</b>

	1 January 2020	Financing cash flows (i)	Non-cash changes		31 December 2020
			Rent concession	Foreign exchange movement	
	\$	\$	\$	\$	\$
<i>Liabilities arising from financing activities</i>					
Lease liabilities	1,501,572	(774,003)	(66,795)	-	660,774
Amount due to related parties (Note 4)	12,802,137	3,442,000	-	(110,286)	16,133,851
	<b>14,303,709</b>	<b>2,667,997</b>	<b>(66,795)</b>	<b>(110,286)</b>	<b>16,794,625</b>

- (i) The cash flows make up the net amount of proceeds from advances and repayments of advances in the statement of cash flows.

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 1 GENERAL

The Company (Registration No. 201531845N) is incorporated in the Republic of Singapore with its principal place of business and registered office changed from 8 Marina Boulevard, #14-02 Marina Bay Financial Centre, Singapore 018981 to 138 Market Street, CapitaGreen #26-02, Singapore 048946 on 6 October 2021. The financial statements are expressed in Singapore dollars (“SGD”), which is also the functional currency of the Company.

The principal activity of the Company is to act as the trustee-manager of Dasin Retail Trust (the “Trust”), a trust constituted in Singapore under the trust deed dated 15 January 2017 and listed on the Main Board of the Singapore Exchange Securities Trading Limited on 20 January 2017.

On 12 October 2021, New Harvest Investments Limited (“New Harvest”), a company incorporated in the British Virgin Islands and Sino-Ocean Capital Holding Limited, a company incorporated in Hong Kong became the immediate holding and ultimate holding companies of the Trustee-Manager following the completion of the transfer of the 70% of the total issued and paid-up share capital in the Trustee-Manager from Mr. Zhang Zhencheng to New Harvest.

The financial statements of the Company for the year ended 31 December 2021 were authorised for issue by the directors on 8 April 2022.

## 2 SIGNIFICANT ACCOUNTING POLICIES

**2.1 BASIS OF ACCOUNTING** - The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**2.2 ADOPTION OF NEW AND REVISED STANDARDS** - On 1 January 2021, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the year beginning on and after 1 January 2021. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior year.

In 2020, in accordance to FRS 116 *COVID-19 Related Rent Concessions*, the Company opted to have the practical expedient and not assessed the impact COVID-19 has on the property lease modification. As a result of applying the practical expedient, rent concessions of \$66,795 (Note 14) was recognised as negative variable lease payments (i.e. reduction in the rental expenses) in the profit or loss during the year. There is no such rent concession in 2021.

### 2.3 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets**

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Classification of financial assets**

Debt instruments mainly comprise cash at banks, amount due from related parties, and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 FINANCIAL INSTRUMENTS (CONT'D)

#### **Classification of financial assets** (cont'd)

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### ***Amortised cost and effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

#### ***Equity instruments designated as at FVOCI***

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which FRS 103 *Business Combinations* applies.



# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 FINANCIAL INSTRUMENTS (CONT'D)

#### **Classification of financial assets** (cont'd)

##### ***Equity instruments designated as at FVOCI*** (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Company has designated all investments in equity instruments that are not held for trading as at FVOCI on initial application of FRS 109.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### **Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 FINANCIAL INSTRUMENTS (CONT'D)

#### **Impairment of financial assets** (cont'd)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### ***Significant increase in credit risk***

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### ***Definition of default***

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### ***Credit-impaired financial assets***

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 FINANCIAL INSTRUMENTS (CONT'D)

#### **Impairment of financial assets** (cont'd)

##### ***Write-off policy***

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### ***Measurement and recognition of expected credit losses***

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

#### **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **Financial liabilities and equity instruments**

- Classification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

- Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 FINANCIAL INSTRUMENTS (CONT'D)

#### **Financial liabilities and equity instruments** (cont'd)

- Other payables and amount due to related parties

Other payables and amount due to related parties are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

- Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they have expired.

- Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the financial statements when the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

**2.4 CASH AT BANKS** - Cash at banks are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### 2.5 LEASES

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 LEASES (CONT'D)

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in the captions current and non-current other payables.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use asset is depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use asset is included in the caption plant and equipment.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.7.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 LEASES (CONT'D)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Administrative expenses' in the statement of profit or loss.

For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

In 2020, the Company has applied the amendment to FRS 116 *Leases: COVID-19 Related Rent Concessions*, allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances.

### 2.6 PLANT AND EQUIPMENT

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method, on the following bases:

Renovation, computers and office equipment	-	1 to 5 years
Right-of-use asset	-	3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss for the year.

Capital Work in Progress, in the course of construction, are carried at direct attributable cost to bring the asset to the location and condition necessary for it to operate. Depreciation of this asset, on the same basis as other Plant and Equipment assets, commences when the assets are ready for their intended use.

### 2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, the Company reviews the carrying amounts of the non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONT'D)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.8 REVENUE RECOGNITION

#### *Trustee-Manager Fees*

Fees are recognised on an accrual basis and in accordance with the terms and conditions of the trust deed that the Company has entered into with Dasin Retail Trust. Under the trust deed, the Company is entitled to a management fee (comprising a base fee and a performance fee), trustee fee, acquisition fee and divestment fee, computed as follows:

- (i) Base fee
- 0.25% per annum of the value of the property, if the value of the property of the Trust ("Trust Property") is less than or equal to \$10.0 billion; or
  - 0.25% per annum of the value of the Trust Property up to \$10.0 billion plus 0.20% per annum of the value of the Trust Property which exceeds \$10.0 billion, if the value of the Trust Property is greater than \$10.0 billion.

For the purposes of the calculating the base fee only, the value of the Trust Property shall not include the value of the investments in vacant land and uncompleted property developments by the Trust.

- (ii) Performance fee

The Company is entitled to receive a performance fee of 25.0% of the difference in distribution per unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance management fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.8 REVENUE RECOGNITION (CONT'D)

#### *Trustee-Manager Fees (cont'd)*

(iii) Trustee fee

The Company is entitled to receive a trustee fee of 0.02% per annum of the value of the Trust Property, excluding out of pocket expenses and GST.

(iv) Acquisition fee

The Company is entitled to receive acquisition fee of 0.75% for acquisition from Interested Person and 1.0% for all other acquisition of the acquisition price plus any other payments in addition to the acquisition price made to the vendor.

(v) Divestment fee

The Company is entitled to receive divestment fee of 0.5% of the sale price plus any other payments received in addition to the sale price from the purchaser.

The Company may elect to receive the management fees, trustee fees, acquisition fees and/or divestment fees in cash or units of the Trust ("Units") or a combination of cash and/or Units (as it may in its sole discretion determine). The Company has elected to receive 100% of the Trustee Fee, Base Fee and Performance Fee in the form of Units for 2020 and 2021.

### 2.9 GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.



# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

### 2.11 TAXATION

Income tax for the financial year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

### 2.12 FOREIGN CURRENCY TRANSACTIONS

The financial statements of Company are measured and presented in SGD which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Company's management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that there are no critical judgements made in applying the Company's accounting policies and key assumption concerning the future and other key sources of estimation uncertainty as at the end of the reporting period that may have a significant effect on the amounts recognised in the financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4 AMOUNT DUE FROM / TO RELATED PARTIES

Some of the Company's transactions and arrangements are with related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. These balances are unsecured, interest-free and repayable on demand unless otherwise stated.

The following balances were outstanding at the end of the reporting period:

	2021	2020
	\$	\$
<b>Amount due from related parties:</b>		
<b><i>Companies in which a director holds significant financial interests</i></b>		
Amount due from related parties (non-trade)	38,093	2,733,984
Amount due from Dasin Retail Trust (trade) (Note A)	1,771,563	1,708,414
Amount due from Dasin Retail Trust (non-trade)	37,321	2,143,657
	<b>1,846,977</b>	<b>6,586,055</b>

### Note A

This relates to the trustee fee and management fee receivable from the Trust for the period from 1 October 2021 to 31 December 2021 (2020 : 1 October 2020 to 31 December 2020). On 14 March 2022, the Trust issued 4,844,440 units (2020 : 2,235,704 units) at an unit price of \$0.36569 per unit (2020 : \$0.76415 per unit) to the Company (Note 6).

	2021	2020
	\$	\$
<b>Amount due to related parties:</b>		
<b><i>Companies in which the directors hold significant financial interests</i></b>		
Amount due to related party (non-trade)	-	8,115,557
<b><i>Immediate holding company of the Company</i></b>		
Amount due to the immediate holding company	642,272	-
<b><i>A director of the Company</i></b>		
Amount due to a related party (non-trade)	-	210,000
<b><i>An individual who is related to the directors</i></b>		
Amount due to a related party (non-trade)	-	7,808,294
	<b>642,272</b>	<b>16,133,851</b>

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4 AMOUNT DUE FROM / TO RELATED PARTIES (CONT'D)

### Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2021	2020
	\$	\$
Short-term benefits	<b>1,380,933</b>	1,407,600
Post-employment benefits	<b>12,240</b>	12,240
	<b>1,393,173</b>	1,419,840

During the financial year, other than those related party transactions disclosed elsewhere in the financial statements, there were payments made by related parties on behalf of the Company in the ordinary course of business. These payments mainly relate to operating expenses of the Company.

## 5 OTHER RECEIVABLES AND DEPOSITS

	2021	2020
	\$	\$
Deposits	<b>101,750</b>	225,206
GST receivables	<b>25,179</b>	-
Prepayment	<b>15,859</b>	35,678
	<b>142,788</b>	260,884

## 6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2021	2020
	\$	\$
Investments in equity instruments designated as at FVOCI:		
Quoted equity shares, at fair value	<b>1,077,467</b>	16,230,320

During the financial year, the Company has elected to receive the trustee fees, management fees and acquisition fee in units. An aggregate of 14,298,110 units (2020 : 10,575,836 units), amounting to \$6,944,630 (2020 : \$8,377,785) was/will be issued to the Company in satisfaction of trustee fee and management fee (2020: trustee fee, management fee and acquisition fee), at unit prices ranging from \$0.36569 to \$0.72388 (2020 : \$0.76415 to \$0.82939) per unit. As at the end of the reporting period, 4,844,440 units (2020 : 2,235,704 units) have yet to be issued to the Company.

The units issued by the Trust offers the Company the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted bid market prices on the last market day of the financial year.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 7 PLANT AND EQUIPMENT

	Renovation, Computers and office equipment \$	Right-of-use asset \$	Capital Work in Progress \$	Total \$
<b>Cost:</b>				
At 1 January 2020	436,062	2,502,394	-	2,938,456
Additions	-	-	-	-
At 31 December 2020	436,062	2,502,394	-	2,938,456
Additions	7,300	783,026	247,475	1,037,801
Write off/disposal	(319,277)	(2,502,394)	-	(2,821,671)
At 31 December 2021	<b>124,085</b>	<b>783,026</b>	<b>247,475</b>	<b>1,154,586</b>
<b>Accumulated depreciation:</b>				
At 1 January 2020	(414,234)	(1,042,665)	-	(1,456,899)
Charge for the year	(21,828)	(834,132)	-	(855,960)
At 31 December 2020	(436,062)	(1,876,797)	-	(2,312,859)
Charge for the year	(1,460)	(687,415)	-	(688,875)
Write off/disposal	319,277	2,502,394	-	2,821,671
Balance as at 31 December 2021	<b>(118,245)</b>	<b>(61,818)</b>	<b>-</b>	<b>(180,063)</b>
<b>Carrying amount:</b>				
At 31 December 2021	<b>5,840</b>	<b>721,208</b>	<b>247,475</b>	<b>974,523</b>
At 31 December 2020	-	625,597	-	625,597

During the financial year ended 31 December 2021, the write off of renovation, computers and office equipment and disposal of right-of-use asset relates to the lease of an office premises which has ended. The addition to right-of-use asset relates to a new lease of an office premises of the Company for three years.

Project costs arising from the new lease of the office premises are capitalised under Capital Work in Progress and have not started depreciation as these assets are not put in use as of financial year end.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 8 OTHER PAYABLES

	2021	2020
	\$	\$
Other payables	262,430	85,962
Lease liabilities	766,617	660,774
GST payables	-	95,924
Withholding tax payables	13,933	8,800
Accrued expenses	26,650	47,750
	<b>1,069,630</b>	899,210
Other payables (Current)	551,760	899,210
Other payables (Non-current)	517,870	-
	<b>1,069,630</b>	899,210

The lease liabilities relates to the right-of-use asset (Note 7).

## 9 SHARE CAPITAL

	2021	2020	2021	2020
	Number of ordinary shares		\$	\$
Issued and paid up:				
At beginning of the year	505,001	505,001	505,001	505,001
Issued during the year	1	-	1	-
At end of the year	<b>505,002</b>	505,001	<b>505,002</b>	505,001

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

On 21 June 2021, one share was issued to Mr. Zhang Zhencheng prior to the sale and purchase agreement entered into between Mr. Zhang Zhencheng, a director and a shareholder of the Company, Aqua Wealth Holdings Limited, a controlling unitholder of Dasin Retail Trust and New Harvest Investments Limited announced by Dasin Retail Trust on 19 July 2021.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 10 REVALUATION RESERVE

The revaluation reserve arises on the fair value of equity instruments designated as FVOCI.

Movements in revaluation reserve:

	2021	2020
	\$	\$
At beginning of the year	<b>(1,008,933)</b>	(157,580)
Transferred to accumulated profits on disposal of equity instruments designated as FVOCI during the year (Note 6)	<b>8,498,970</b>	-
Net fair value losses during the year	<b>(8,274,298)</b>	(851,353)
At end of the year	<b>(784,261)</b>	(1,008,933)

The Company agreed to transfer 25,301,553 (2020 : nil) units to Mr. Zhang Zhencheng, a director of the Company at a unit price of \$0.477561, which was determined based on a willing-buyer, willing seller basis, amounting to \$12,083,035 (2020 : nil) at the date of the set-off arrangement in October 2021 in satisfaction of payables due to related parties (Note 15) and as a result, the cumulative fair value losses transferred to accumulated profits was \$8,498,970. As at the date of the financial statements, the Company holds 25,301,553 units in Dasin Retail Trust in trust for Mr. Zhang Zhencheng, pending completion in administrative procedures.

## 11 REVENUE

	2021	2020
	\$	\$
Trustee fee	<b>514,417</b>	451,851
Management fee	<b>6,430,213</b>	5,648,133
Acquisition fee	-	2,277,801
	<b>6,944,630</b>	8,377,785

The Company assigned its rights on receiving the trustee fee and management fee for the third quarter of the financial year 2021 which were payable in units of Dasin Retail Trust amounted to approximately \$1,677,000 to Mr. Zhang Zhencheng, a director of the Company (Note 15).

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 12 OTHER (LOSS)/GAINS

	2021	2020
	\$	\$
Foreign exchange (loss)/gains	<b>(118,451)</b>	105,284
Government grants	<b>28,472</b>	110,999
	<b>(89,979)</b>	216,283

Included in government grants are grant income amounting to \$18,011 (2020 : \$94,449) relates to the wages support for local employees under the Job Support Scheme from the Singapore Government.

## 13 INCOME TAX EXPENSE

Domestic income tax is calculated at 17% of the estimated assessable income for the year.

Tax expense attributable to profit is made up of:

	2021	2020
	\$	\$
Current year	-	857,781
Under/(Over) provision in respect of prior year	<b>2,673</b>	(55,127)
	<b>2,673</b>	802,654

Income tax for the year can be reconciled to the accounting profit as follows:

	2021	2020
	\$	\$
Profit before income tax	<b>4,791,461</b>	5,950,097
Income tax expense at statutory rate of 17%	<b>814,548</b>	1,011,516
Effect of partial tax exemptions	-	(17,425)
Effect of gains that are exempt from tax	<b>(221,806)</b>	(125,301)
Effect of expenses that are not deductible in determining taxable income	<b>15,051</b>	2,683
Utilisation of previously unrecognised capital allowances	<b>(13,692)</b>	(13,692)
Effect of revaluation losses through other comprehensive income	<b>(1,095,741)</b>	-
Effect of unused tax losses not recognised as deferred tax assets	<b>501,640</b>	-
Under/(Over)provision in prior year	<b>2,673</b>	(55,127)
	<b>2,673</b>	802,654

Subject to the agreement by the tax authorities, at the end of the reporting period, the Company had unutilised tax losses of \$2,950,826 (2020: \$nil) available for setoff against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. These losses may be carried forward indefinitely subject to conditions imposed by law, including the retention of majority shareholders.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 14 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2021	2020
	\$	\$
Employee benefits expense (including directors' remuneration)	<b>1,979,507</b>	2,045,948
Cost of defined contribution plans included in employee benefits expense	<b>59,047</b>	67,652
Rent concession	-	(66,795)
Depreciation of plant and equipment	<b>1,460</b>	21,828
Depreciation of right-of-use asset	<b>687,415</b>	834,132

## 15 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2021	2020
	\$	\$
Trustee fee and management fees income	<b>6,944,630</b>	8,377,785
Expenses paid on behalf of related party	<b>68,912</b>	697,249
Expenses paid on behalf by related party	<b>167,366</b>	-

Pursuant to the sale and purchase agreement entered into between Mr. Zhang Zhencheng, a director and a shareholder of the Company, Aqua Wealth Holdings Limited, a controlling unitholder of Dasin Retail Trust and New Harvest Investments Limited announced by Dasin Retail Trust on 19 July 2021, (i) 25,301,553 (2020: nil) units at a unit price of \$0.477561 (2020 : \$nil), which was determined based on a willing-buyer, willing seller basis, amounted to \$12,083,035 (2020 : \$nil) were agreed to transfer to Mr. Zhang Zhengcheng, a director of the Company (Note 6); (ii) assigned its rights on receiving the trustee fee and management fee for the third quarter of the financial year 2021 which were payable in units of Dasin Retail Trust amounted to approximately \$1,677,000 to Mr. Zhang Zhencheng (Note 11); and (iii) assigned the amount due from related parties totalling \$5,357,584 to Mr. Zhang Zhencheng. These set-off arrangements were for settlement of \$19,117,619 of amount due to related parties.

## 16 CAPITAL COMMITMENTS

As of 31 December 2021, the Company had entered into contractual commitments for the acquisition of plant and equipment amounting to \$61,869 (2020: \$nil).



# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 17 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

### (a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting year:

	2021	2020
	\$	\$
<b>Financial assets</b>		
At amortised cost	2,337,492	7,200,656
Financial assets at FVOCI	<u>1,077,467</u>	16,230,320
<b>Financial liabilities</b>		
At amortised cost	<u>1,697,969</u>	16,928,337

### (b) Financial risk management policies and objectives

Management of the Company monitors and manages the financial risks relating to the operations of the Company to ensure appropriate measures are implemented in a timely and effective manner. The key financial risks are market risk (including foreign exchange risk and equity price risk), credit risk and liquidity risk.

The Company does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

#### (i) Foreign exchange risk management

Foreign currency risk occurs as a result of the Company's transactions that are not denominated in its functional currency.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of the Company are as follows:

	Assets		Liabilities	
	2021	2020	2021	2020
	\$	\$	\$	\$
United States dollars ("USD")	-	295,899	-	3,295,448
Renminbi ("RMB")	3,183	3,037	-	3,037
Hong Kong dollars ("HKD")	-	-	-	4,142,075

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 17 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### (b) Financial risk management policies and objectives (cont'd)

#### (i) Foreign exchange risk management (cont'd)

##### *Foreign currency sensitivity*

The sensitivity rate used when reporting foreign currency risk of the Company to key management personnel is 10%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If USD were to strengthen/weaken by 10% against SGD, the Company's profit for the year ended will decrease/increase by approximately \$nil (2020 : profit will decrease/increase by approximately \$299,955).

If RMB were to strengthen/weaken by 10% against SGD, the Company's profit for the year ended will decrease/increase by approximately \$318 (2020 : nil).

If HKD were to strengthen/weaken by 10% against SGD, the Company's profit for the year ended will decrease/increase by approximately \$nil (2020 : profit will decrease/increase by approximately \$414,208).

#### (ii) Liquidity risk management

The Company maintain sufficient cash at banks to finance its activities. All financial assets and financial liabilities are repayable on demand or due within 1 year from the end of the reporting period, except for leases liabilities for year ended 31 December 2021 of \$517,870 (2020 : \$Nil).

The following table details the remaining contractual maturity of lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	<b>Weighted average effective interest rate</b>	<b>On demand or within 1 year</b>	<b>Within 2 to 5 years</b>	<b>Total</b>
	\$	\$	\$	\$
<b>31 December 2021</b>				
Lease liabilities	<b>5.66%</b>	<b>248,747</b>	<b>517,870</b>	<b>766,617</b>
<b>31 December 2020</b>				
Lease liabilities	5.36%	660,774	-	660,774

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 17 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### (b) Financial risk management policies and objectives (cont'd)

#### (ii) Liquidity risk management (cont'd)

As of 31 December 2021, the Company has net current assets of \$1,181,780 (2020 : net current liability of \$10,654,508). The Company finances its working capital requirements through a combination of funds generated from operations and advances from related parties. The directors are satisfied that funds are available to finance the operations of the Company.

#### (iii) Credit risk management

The Company's credit risk is primarily attributable to its amount due from related parties and other receivables. Cash is held with credit worthy financial institutions.

The Company establishes impairment losses that represents the ECL in respect of financial assets. The impairment losses account comprises (i) the lifetime ECL for trade receivables using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of condition at the reporting date, including the time value of money where appropriate; (ii) 12-month ECL for all other instruments when there is default events on a financial instrument that are possible within the 12 months after the reporting date; and (iii) the lifetime ECL which is recognised when there is a significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

The impairment losses account in respect of financial assets is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the impairment losses account is written off against the carrying amount of the impaired financial asset.

The Company has considered the counterparty i.e. amount due from related parties, other receivables and cash and bank deposits placed with banks and exposures are considered to have low credit risk.

#### (iv) Equity price risk management

The Company is exposed to equity risks arising from equity investments classified as FVOCI. FVOCI investments are held for strategic rather than trading purposes. The Company does not actively trade such investments.

Further details of these equity investments can be found in Note 6 to the financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 17 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### (b) Financial risk management policies and objectives (cont'd)

#### (iv) Equity price risk management (cont'd)

##### *Equity price sensitivity*

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of equity investments designated as FVOCI, if the inputs to the valuation model had been 10% higher/lower while all other variables were held constant:

The Company's asset revaluation reserves would decrease/increase by \$107,747 (2020 : \$1,623,032).

#### (v) Fair value of financial assets and financial liabilities

Except as detailed in the following table, where the equity investments of the Company are measured at fair value at the end of each reporting period, the financial assets and financial liabilities are carried at amortised cost and the carrying values are approximate their respective fair values due to the relatively short term maturity of these financial instruments.

The following table gives information about how the fair values of the equity investments are determined.

	Assets		Fair value hierarchy	Valuation techniques and key inputs
	2021	2020		
	\$	\$		
Equity investments designated as FVOCI	<b>1,077,467</b>	16,230,320	Level 1	Quoted bid market prices on the last market day of the financial year

### (c) Capital risk management policies and objectives

Management reviews the Company's capital structure at least annually to ensure that it will be able to continue as a going concern. The capital structure of the Company comprises only issued capital, revaluation reserves and accumulated profits. The Company's overall strategy remains unchanged from 2020.